

**UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

NEW CENTURY MORTGAGE CORP.,

Plaintiff,

v.

GREAT NORTHERN INSURANCE
COMPANY, FEDERAL INSURANCE
COMPANY,

Defendants.

)

) CASE NO. 05C2370

)

) Judge Coar

)

) **DECLARATION OF ERIC R. LITTLE**

) **IN SUPPORT OF PLAINTIFF'S**

) **OPPOSITION TO CHUBB'S**

) **MOTION FOR SUMMARY**

) **JUDGMENT**

)

)

DECLARATION OF ERIC R. LITTLE

I, ERIC R. LITTLE, declare as follows:

1. I am an attorney duly licensed to practice law in the State of California and am an associate in the law firm of Gauntlett & Associates, counsel of record for New Century Mortgage Corp. ("NCMC").

2. As an attorney assigned to this case I have personal knowledge of the facts stated in this Affidavit and will competently testify thereto if called upon to do so.

3. Attached as **Exhibit "T"** hereto is a true and correct copy of excerpted pages from New Century Financial Corporation's 2004 annual report. The entire report may be accessed online through NCMC's website, www.ncen.com.

4. Chubb's statement of facts, fact No. 38, argues that "The content of the [Bernstein] advertisement in question did not reveal anything about the underlying claimants at all." Chubb's brief contains no argument based on this purported fact.

5. The annual report provides in pertinent part:

New Century Financial Corporation is a real estate investment trust (REIT) and parent company of one of the nation's largest **subprime mortgage finance companies**, providing first and second mortgage products to borrowers nationwide through our operating subsidiaries, New Century Mortgage Corporation and Home123 Corporation. As subprime mortgage lenders, **we offer products to borrowers who generally do not satisfy the strict credit**, documentation or other underwriting standards required by conventional mortgage lenders and loan buyers.

6. As a result, the content of the Bernstein advertisement reveals that it was directed to individuals with poor credit.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 27th day of October, 2005, at Irvine, California.

s/Eric R. Little

ERIC R. LITTLE

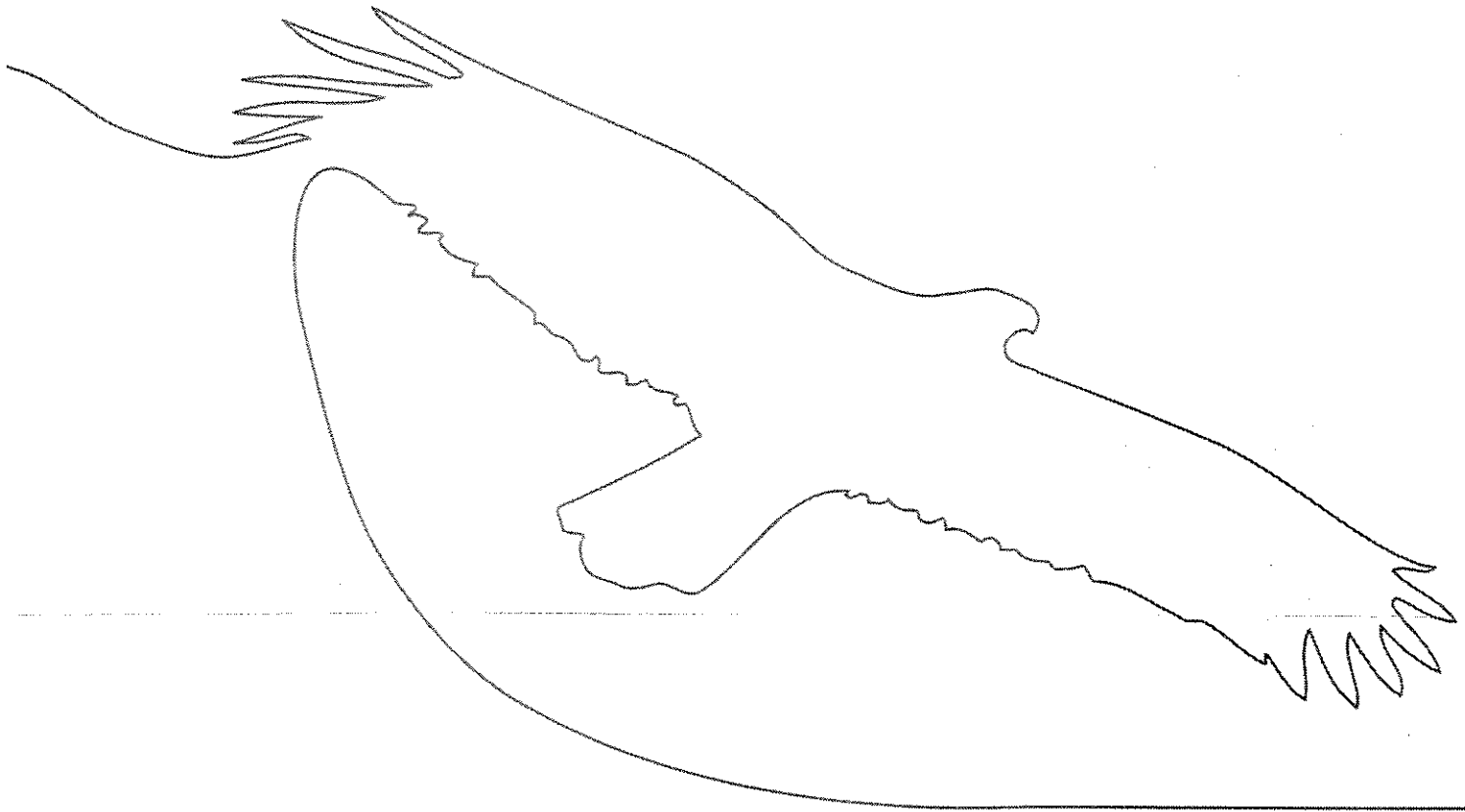
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Exhibit T



there is a belief that runs through our company



performance, combined with integrity, makes up the very fabric of who we are

Like traditional blue chip companies, we have outperformed our competitors with consistent and strong financial performance. Over the past three years, annual revenue more than tripled, earnings-per-share (EPS) grew significantly and annual loan production set our record levels.

New Century Financial Corporation has delivered strong results like traditional blue chips, while putting significant emphasis on the way these results are achieved. We are committed to forging relationships with partners based on trust and living up to our promises.

At New Century Financial Corporation, integrity and performance are part of the same equation.

New Century Financial Corporation

"A New Shade of Blue Chip"™

New Century Financial Corporation is a real estate investment trust (REIT) and parent company of one of the nation's largest subprime mortgage finance companies, providing first and second mortgage products to borrowers nation-wide through our operating subsidiaries, New Century Mortgage Corporation and Home123 Corporation. As subprime mortgage lenders, we offer products to borrowers who generally do not satisfy the strict credit, documentation or other underwriting standards required by conventional mortgage lenders and loan buyers.

At New Century, we are proud to provide people with access to the mortgage credit they need to enhance their lives and achieve the American dream of home ownership. We are committed to serving the communities in which we operate with fair and responsible lending practices.

Performance

New Century was among FORTUNE's 100 Fastest Growing Companies the past two years, and in February 2005, we ranked number three among the five top-performing companies of the *Wall Street Journal's* "Top Guns," delivering a 94.6 percent stock price appreciation in the "Three-Year Average Annual Return" category.

Integrity in Financial Reporting

When it comes to reporting our financial results, we believe we have exceeded industry norms. As one of the largest mortgage REITs in the United States, we understand the importance of credibility. That is why we provide metrics on our business to the investment community that are more comprehensive than many of our competitors, thus providing greater transparency. With this information, investors have a better perspective on how we conduct our business.

Setting the Industry Standard

New Century developed and adheres to a set of Best Practices designed to ensure that the loans we originate are reviewed thoroughly and provide a tangible benefit to borrowers. While we believe in strong performance, we believe it means little if not done with honesty.

Key Metrics (in millions, except per share data)	2004	2003	2002
Net earnings	\$376	\$245	\$180
Basic earnings per share	10.20	7.26	5.19
Diluted earnings per share	8.29	6.32	4.73
Shares outstanding (diluted)	46	39	38
Total assets	\$19,052	\$8,944	\$2,403
Total liabilities	17,173	8,402	2,016
Stockholders' equity	1,879	542	387
Total mortgage loans held for investment, net	\$13,195	\$4,746	\$-
Wholesale loans originated	\$38,127	\$25,188	\$12,392
Retail loans originated	4,073	2,195	1,809
Total loans originated	42,200	27,383	14,201

To Our Stockholders,

2004 was the best year in the history of New Century Financial Corporation from a financial, operational and strategic perspective, achieved while weaving our "New Shade of Blue ChipSM" thread through our accomplishments.

Financially, we set a goal of growing our 2004 diluted EPS from \$6.32 in 2003 to over \$8.25 in 2004, and we did it, earning \$8.29 for the year.

Operationally, we grew our 2004 loan production 54 percent over 2003's results to a record \$42.2 billion. In our Wholesale Division, we added six new regional processing centers and 283 new account executives, which translated into a 51 percent year-over-year increase in wholesale production. We delivered even stronger growth in our retail franchise as we increased production 86 percent by hiring 213 additional loan officers and increasing our productivity.

